

Significant Changes from May 2021 Report

General Fund Non-Tax Revenues

Revenues from Other Agencies – the increase in FY 21 is due to an increase in escheats and unclaimed funds (Department of Accounting and General Services (DAGS)).

Charges for Current Services – the net increases in FYs 21-28 are attributed to anticipated collections for ambulance services for FYs 22-28 based on actual FY 21 collections (Department of Health (DOH)); reimbursements of prior year expenditures in FY 21 for the Department of Human Services (DHS); and anticipated reimbursements of health fund premiums for FYs 22-28 based on FY 21 actual collections (Department of Budget and Finance (B&F)).

Non-Revenue Receipts – the net increases in FYs 21-28 are reflective of anticipated increases for pension accumulation reimbursements and social security reimbursements from non-general funds for FYs 22-28 based on FY 21 actual collections (B&F); transfers from various non-general funds to the general fund pursuant to Act 87, SLH 2021, from the Department of Agriculture, DAGS, Department of the Attorney General, Department of Business, Economic Development and Tourism (DBEDT), Department of Commerce and Consumer Affairs (DCCA), Department of Education, DHS, Department of Human Resources Development, DOH, Department of Labor and Industrial Relations (DLIR), Department of Land and Natural Resources (DLNR), Department of Public Safety, and Department of Taxation (TAX); and transfers into the general fund from the Tax Administration Special Fund for FYs 21-28 (TAX).

Special Tax Revenues

Transfer of General Excise Tax – the increase in FY 21 is attributed to an increase in general excise tax collections, while the increases in FYs 22-28 reflect revised estimates of general excise tax transfers to the Mass Transit Special Fund (MTSF) based on the Council on Revenues' (Council) forecast from the meeting held on May 25, 2021 (B&F).

Vehicle Registration Fee Tax – the increase in FY 21 is due to an increase in new vehicle sales, and the projected FYs 22-28 revenues are primarily due to the continuing demand for motor vehicles (DOH).

Transfer of Transient Accommodations Tax (TAT) – the increase in FY 21 reflects the transfer of TAT to the Convention Center Enterprise Special Fund and the Tourism Special Fund (DBEDT-Hawai'i Tourism Authority (HTA)). The projected decreases in FYs 22-28 revenues are primarily due to reductions of TAT transfers to HTA per Act 1, SpSLH 2021 (DBEDT-HTA) and are offset by increases in projected TAT transfers to the MTSF based on the Council's forecast from the meeting held on May 25, 2021 (B&F).

Motor Vehicle Weight Tax – the increase in FY 21 is due to an increase in new vehicle sales, and the projected FYs 22-28 revenues are primarily due to the continuing demand for motor vehicles (Department of Transportation (DOT)-Highways).

Vehicle Surcharge, Rental/Tour – the increase in FY 21 is due to high demand for rental cars after the loosening of travel restrictions (DOT-Airports).

Unemployment Compensation Taxes – the increase in FY 21 reflects the actual unemployment insurance (UI) tax collection (DLIR).

Special Fund Non-Tax Revenues

Federal Grants – the increase in FY 21 primarily reflects increased reimbursements of Medicare costs (DOH-Hawai'i Health Systems Corporation (HHSC)) and a net increase of reimbursements for highways projects (DOT-Highways). The projected FYs 22-28 revenues are primarily due to adjustments for project timelines and project priorities (DOT-Highways).

Charges for Current Services – the net increase in FY 21 is primarily due to increased Medicaid reimbursements (DOH-HHSC), a decrease in beverage container deposits (DOH), and increased tuition fees (University of Hawai'i (UH)). The projected FYs 22-28 revenues are primarily due to adjustments for increased parking and entrance fees for out-of-state visitors at State parks (DLNR), increased tax collections by the Special Enforcement Section (TAX), and adjusted tuition revenues due to adjusted tuition projections, waivers, and change in student mix (UH).

Charges for Current Services, Utilities – the increase in FY 21 is primarily due to rental car concession revenue (DOT-Airports), and the projected FYs 22-28 revenues are primarily due to revised parking and food and beverage concessions projections (DOT-Airports).

Other Than Special Fund Non-Tax Revenues

Use of Money – the net increases in FYs 21-28 are due to increases in interest earned from investments for other post-employment benefits (OPEB) and higher than previously projected contributions to the Employer-Union Health Benefits Trust Fund (EUTF) (B&F).

Federal Grants – the net increases in FY 21 are due to the update of actual federal funds received for various accounts including medical assistance payments at the Health Care Payments program (DHS), additional grants for substance abuse prevention and treatment services (DOH), UI grants to the State for eligible workers at the UI Program (DLIR), and disaster assistance funds (Department of Defense (DOD)). The net increases in FYs 22-27 are primarily from projected increases in medical assistance payments at the Health Care Payments program (DHS) offset by a reduction in projected research and training grant funds due to a reclassification to COVID-19

funds (UH). In addition, the increase in FY 22 reflects additional funds for supplemental nutritional foods, nutrition education, and referrals to health care providers at the Family Health Services program (DOH).

Federal COVID-19 Funds – the net increases in FYs 21-22 reflect the update of federal funds received to provide UI benefits (DLIR); additional American Rescue Plan Act and Coronavirus Aid, Relief, and Economic Security Act funds for emergency education relief, the Coronavirus State Fiscal Recovery Fund, the Homeowner Assistance Fund, and the Emergency Rental Assistance program (B&F); medical assistance payments (DHS); and additional funds for COVID-19 prevention preparedness and response, immunization and vaccine for children, building and strengthening Hawai'i's epidemiology, laboratory, and health information system capacity, and substance abuse prevention and treatment (DOH). In addition, the net increases in FYs 21-23 are reflective of the reclassification of COVID-19-related awards from the federal grants category (UH) and a decrease for the correction of an error for previously recorded disaster assistance funds in FY 21 (DOD).

Charges for Current Services – the net increase in FY 21 reflects updates in the last fiscal year for refunds, rebates from prescription drug plans, Consolidated Omnibus Budget Reconciliation Act premiums for medical and dental plans, and performance and network guarantees from insurance carriers to the EUTF (B&F). The net increase in FY 22 also reflects refunds and rebates for the current fiscal year (B&F) and additional reimbursements for the Medical Assistance Program (DHS) that are partially offset by reductions in projected income from retail and residential dining services due to COVID-19 (UH).

Non-Revenue Receipts – the net increase in FY 21 and net decrease in FY 22 primarily reflect the State of Hawai'i and counties making unplanned OPEB contributions in FY 21 and accelerating an OPEB contribution payment that was planned for FY 22 to be made in FY 21. The net increases in FYs 23-28 reflect projected increases in employees' premiums and employers' contributions to the health benefits plans for active employees of the State of Hawai'i and counties effective July 2021 (B&F-EUTF). In addition, the net increase in FY 21 is reflective of interest earned on the principal of the Hawai'i Hurricane Relief Fund (DCCA) that is offset by the reclassification of funds received through research grants for medicine and agriculture to COVID-19 funds (UH) and a delay in bond issuances for the Housing Projects Bond Special Fund (DBEDT-Hawai'i Housing Finance and Development Corporation (HHFDC)).

Repayments – The net increase in FY 21 reflects the update of actual revenues deposited into the Rental Housing Revolving Fund (DBEDT-HHFDC). The net decrease in FY 28 reflects a projected decrease in loans being made in the future out of the Water Pollution Control Revolving Fund, resulting in lower repayments at the Environmental Health Program (DOH).